

BUILDING A BUSINESS BUILDS WEALTH

What does today's high-net-worth business owner look like? As part of the 2016 *U.S. Trust Insights on Wealth and Worth*® Survey, we spoke to 242 business owners with at least \$3 million in investable assets to gain insight into their journey to — and through — business ownership.

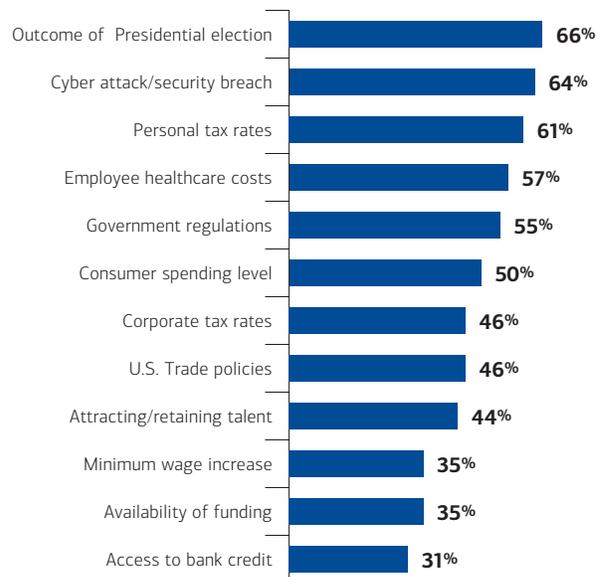
WHAT WORRIES BUSINESS OWNERS

The greatest concerns on the minds of entrepreneurs today are the impact of events that are largely beyond their control.

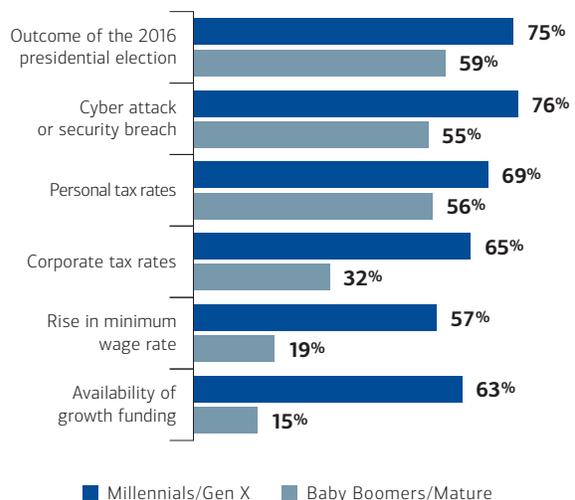
- The outcome of the 2016 Presidential election worries two-thirds of business owners, closely followed by cyber attacks at 64%.
- At 61%, personal income tax rates are of greater concern to them than corporate taxes at 46%.
- Less worrisome are the increasing minimum wage and access to funding, with just over a third of respondents citing these concerns.

Younger business owners are more worried about virtually everything than their Baby Boomers and Mature peers. Compared to their older counterparts, twice as many of these Millennial and Gen X leaders are very or somewhat concerned about corporate tax rates, and even the increase in the minimum wage and access to funding for growth.

Percent who are very or somewhat concerned



Younger business owners are most worried



THE PATH TO OWNERSHIP

Most business owners were not born to privilege. Two in three of today's wealthiest business owners worked their way up from middle class or poor backgrounds. Nearly 7 in 10 attribute their success to their family upbringing and were raised in households that valued discipline (87%), encouraged talents (78%) and early work participation (60%).

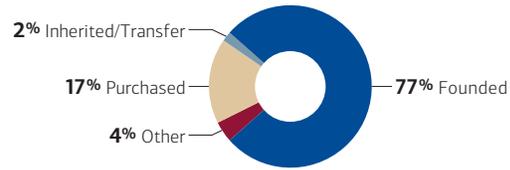
Driven by these core values, families of business owners often pull together to achieve success. Four in ten entrepreneurs have family members involved in their business, most often as employees or senior managers, and most see the involvement of family as a competitive advantage.

The majority of owners are founders (77%), and many are serial entrepreneurs. More than half of Millennial and Gen X founders have owned at least one company previously.

Family values



Path to business ownership



A PASSION FOR CHALLENGE

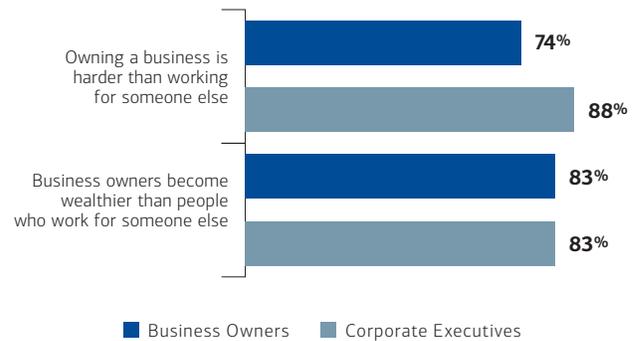
Entrepreneurs and corporate executives agree that business ownership is more challenging than working for someone else.

But despite the hard work and sacrifice, 8 in 10 entrepreneurs would still prefer to own a business, primarily driven by a desire to take control of their destiny and to pursue a passion — not to make the most money.

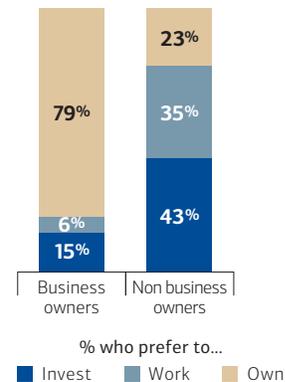
But significant wealth is often an outcome of business ownership, and with it comes complexity and constant competition between personal and professional demands:

- 71% say work demands take priority over personal needs
- 49% say most of income and assets are tied to their business
- 42% say they are better at managing business finances than personal

Business ownership is more challenging...



...But for business owners, the challenge is by choice



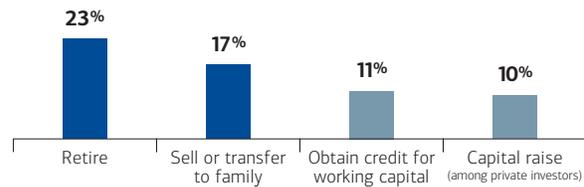
PLANNING FOR THE FUTURE

More than half of business owners are planning at least one transformational change for their business in the next 3 years — from retiring to raising capital for growth.

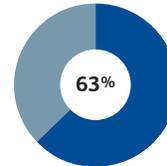
Although many are planning to retire or sell their businesses, 63% are without an exit strategy. Most surprising is that the older generations, closest to retirement, are the least prepared — 7 in 10 Baby Boomer and Mature business owners are without an exit plan.

Across the generations, business owners agree that planning for the future and optimizing the present requires a holistic view, addressing professional, personal and philanthropic wealth goals. This point of view leads many (60%) to seek a financial advisory firm who can serve both personal wealth management and business banking needs.

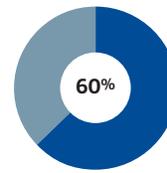
Transformation on the horizon



A majority of business owners may lack an exit plan...



...And many seek a financial advisory firm that can serve personal wealth and business banking needs



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Study methodology

The 2016 *U.S. Trust Insights on Wealth and Worth*® survey is based on a nationwide survey of 684 high-net-worth and ultra-high-net-worth adults with at least \$3 million in investable assets, not including the value of their primary residence. Respondents were equally divided among those who have between \$3 million and \$5 million, \$5 million and \$10 million, and \$10 million or more in investable assets. The survey was conducted online by the independent research firm Phoenix Marketing International in January 2016. Asset information was self-reported by the respondent. Verification for respondent qualification occurred at the panel company, using algorithms in place to ensure consistency of information provided, and was confirmed with questions from the survey itself. All data have been tested for statistical significance at the 95% confidence level.

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